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MONTANA LEGISLATIVE HISTORY

Chapter 378 19 87

Bill H 492 S _____ Original bill & history X C

H. Committee on	LOCAL GOV'T		S. Committee on	LOCAL GOV'T	
Hearing Date(s)	2/2	X C	Hearing Date(s)	3/17	X C
	2/18	X C		3/19	X C
		C			C
		C			C
Date Out		C			

Did this bill originate in an interim committee? ___Yes ___No

Committee _____ Report _____

Re-Referred to Appropriations

↳ Subcommittee on Gen. GOV'T & HIGHWAYS

3/4 X

3/5 X

Full Committee

3/7 X

HOUSE BILL NO. 492

INTRODUCED BY MILES, HARP

BY REQUEST OF THE DEPARTMENT OF JUSTICE

IN THE HOUSE

JANUARY 27, 1987	INTRODUCED AND REFERRED TO COMMITTEE ON LOCAL GOVERNMENT.
FEBRUARY 18, 1987	COMMITTEE RECOMMEND BILL DO PASS AS AMENDED. REPORT ADOPTED.
FEBRUARY 19, 1987	PRINTING REPORT.
FEBRUARY 20, 1987	ON MOTION, CONSIDERATION PASSED FOR THE DAY.
FEBRUARY 21, 1987	SECOND READING, DO PASS AS AMENDED.
	ON MOTION, TAKEN FROM ENGROSSING AND REREFERRED TO COMMITTEE ON APPROPRIATIONS.
FEBRUARY 23, 1987	ENGROSSING REPORT.
MARCH 9, 1987	COMMITTEE RECOMMEND BILL DO PASS. REPORT ADOPTED.
MARCH 10, 1987	PRINTING REPORT.
MARCH 11, 1987	SECOND READING, DO PASS.
	ENGROSSING REPORT.
MARCH 12, 1987	THIRD READING, PASSED. AYES, 61; NOES, 36.
	TRANSMITTED TO SENATE.

IN THE SENATE

MARCH 13, 1987	INTRODUCED AND REFERRED TO COMMITTEE ON LOCAL GOVERNMENT.
MARCH 20, 1987	COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED.
MARCH 24, 1987	SECOND READING, CONCURRED IN.
MARCH 26, 1987	THIRD READING, CONCURRED IN. AYES, 47; NOES, 3.
	RETURNED TO HOUSE.

IN THE HOUSE

MARCH 27, 1987	RECEIVED FROM SENATE.
	SENT TO ENROLLING.

House BILL NO. 492

INTRODUCED BY Miles HARP

BY REQUEST OF THE DEPARTMENT OF JUSTICE

A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING THE FEE FOR ISSUANCE OF AN ORIGINAL CERTIFICATE OF OWNERSHIP AND TRANSFER OF TITLE, THE FEE FOR REPLACEMENT OF A LOST CERTIFICATE, THE FEES FOR FILING OF SECURITY INTERESTS, AND THE FEES FOR REGISTRATION OF VEHICLES; AND AMENDING SECTIONS 61-3-103, 61-3-203, 61-3-204, AND 61-3-321, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 61-3-203, MCA, is amended to read:

"61-3-203. Fee for original certificate of ownership and transfer of title -- disposition. A charge of ~~$3--shall~~ $5 must be made for issuance of an original certificate of ownership of title and for a transfer of registration which ~~shall~~ must be collected by the county treasurer. The fees ~~shall~~ must be distributed as follows:

(1) ~~Two~~ Four dollars of each fee ~~shall~~ must be remitted to the department by the county treasurer with each application for original certificate of ownership or transfer of registration.

(2) Prior to March 1, 1966, and each March thereafter, the county commissioners of each county shall divide the fees retained by the county to:

(a) the city road fund of each city and town within the county based on the number of motor vehicles registered inside the corporate limits of each city or town; and

(b) the county road fund based on the number of motor vehicles registered outside the corporate limits of cities and towns."

Section 2. Section 61-3-204, MCA, is amended to read:

"61-3-204. Lost certificates. In the event any certificate of ownership is lost, mutilated, or becomes illegible, the owner shall immediately make application for and obtain a duplicate thereof, upon furnishing satisfactory evidence of such facts and upon payment of a fee of ~~$2~~ $5. Revenue from this fee ~~shall~~ must be deposited in the motor vehicle recording account of the state special revenue fund."

Section 3. Section 61-3-103, MCA, is amended to read:

"61-3-103. Filing of security interests, rights, procedure, fees. (1) No security interest in a motor vehicle shall be valid as against creditors, subsequent purchasers, or encumbrancers unless a lien notice, on a form approved by the department, that shows a security interest has been created, has been filed with the department as provided in this section. The department shall not file any security interest or other lien unless it is accompanied by or

LC 1237/01

INTRODUCED BILL
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specified in the application for a certificate of ownership of the vehicle encumbered. If the approved notice form is transmitted to the department, the security agreement or other lien instrument that creates the security interest must be retained by the secured party. A copy of the security agreement is sufficient as a lien notice if it contains the name and address of the debtor and the secured party, the complete vehicle description, amount of lien, and is signed by the debtor. The department shall file the security interest or lien by entering the name and address of the secured party upon the face of the certificate of ownership. The department shall mail a statement certifying to the filing of a security interest or lien to the secured party. The department shall mail the certificate of ownership to the owner at the address given on the certificate; however, if the transfer of ownership and filing of the security interest are paid for by a creditor or secured party, the department shall return the certificate of ownership to the county treasurer where the vehicle is to be registered. The owner of a motor vehicle is the person entitled to operate and possess such motor vehicle.

(2) A security interest in a motor vehicle held as inventory by a dealer licensed under the provisions of 61-4-101, must be perfected in accordance with Title 30,

chapter 9, and no endorsement on the certificate of title is necessary for perfection.

(3) Whenever a security interest or lien is filed against a motor vehicle that is subject to two security interests previously perfected by filing under this section, the department shall endorse on the face of the certificate of ownership, "NOTICE. This motor vehicle is subject to additional security interests on file with the Department of Justice." No other information regarding such additional security interests need be endorsed on the certificate.

(4) Satisfactions or statements of release filed with the department under this chapter shall be retained by it for a period of 8 years after receipt, after which they may be destroyed.

(5) The filing of a security interest or other lien, as herein provided, perfects a security interest which has attached at the time the certificate of ownership noting such interest is issued. Issuance of a certificate of ownership constitutes constructive notice to subsequent purchasers or encumbrancers, from the time of filing, of the existence of the security interest.

(6) Upon default under a chattel mortgage or conditional sales contract covering a motor vehicle, the mortgagee or vendor has the same remedies as in the case of other personal property. In case of attachment of motor

vehicles all the provisions of 27-18-413, 27-18-414, and 27-18-804 shall be applicable except that deposits must be made with the department.

(7) A conditional sales vendor or chattel mortgagee or assignee who fails to file a satisfaction of a chattel mortgage, assignment, or conditional sales contract within 15 days after receiving final payment shall be required to pay the department the sum of $1 for each day thereafter that he fails to file such satisfaction.

(8) Upon receipt of any liens, or notice of liens dependent on possession, or attachments, etc., against the record of any motor vehicle registered in this state, the department shall within 24 hours mail to the owner, conditional sale vendor, mortgagees, or assignees of any thereof a notice showing the name and address of the lien claimant, amount of the lien, date of execution of lien, and in the case of attachment the full title of the court and the action and the name of the attorneys for the plaintiff and/or attaching creditor.

(9) It shall not be necessary to refile with the department any instruments on file in the offices of the county clerk and recorders at the time this law takes effect.

(10) A fee of ~~$3--shall~~ $5 must be paid to the department to file any security interest or other lien

against a motor vehicle. The ~~$3~~ $5 fee shall include and cover the cost of filing a satisfaction or release of the security interest and also the cost of entering such satisfaction or release on the records of the department and deleting the endorsement of the security interest from the face of the certificate of ownership. A fee of $3--~~shall~~ $5 must be paid the department for issuing a certified copy of a certificate of ownership subject to a security interest or other lien on file in the office of the department, or for filing an assignment of any security interest or other lien on file with the department. All fees provided for in this section ~~shall~~ must be deposited by the department in the motor vehicle recording account of the state special revenue fund."

Section 4. Section 61-3-321, MCA, is amended to read:

"61-3-321. Registration fees of vehicles -- public-owned vehicles exempt from license or registration fees -- disposition of fees. (1) Registration or license fees shall be paid upon registration or reregistration of motor vehicles, trailers, housetrailers, and semitrailers, in accordance with this chapter, as follows:

(a) motor vehicles weighing 2,850 pounds or under (other than motortrucks), $5;

(b) motor vehicles weighing over 2,850 pounds (other than motortrucks), $10;

(c) electrically driven passenger vehicles, $10;

(d) all motorcycles and quadricycles, $2;

(e) tractors and/or trucks, $10;

(f) buses shall be classed as motortrucks and licensed accordingly;

(g) trailers and semitrailers less than 2,500 pounds maximum gross loaded weight and housetrailers of all weights, $2;

(h) trailers and semitrailers over 2,500 up to 6,000 pounds maximum gross loaded weight (except housetrailers), $5;

(i) trailers and semitrailers over 6,000 pounds maximum gross loaded weight, $10;

(j) trailers used exclusively in the transportation of logs in the forest or in the transportation of oil and gas well machinery, road machinery, or bridge materials, new and secondhand, shall pay a fee of $15 annually, regardless of size or capacity.

(2) All rates shall be 25% higher for motor vehicles, trailers, and semitrailers not equipped with pneumatic tires.

(3) "Tractor", as specified in this section, means any motor vehicle except passenger cars used for towing a trailer or semitrailer.

(4) If any motor vehicle, housetrailer, trailer, or

semitrailer is originally registered 6 months after the time of registration as set by law, the registration or license fee for the remainder of the year shall be one-half of the regular fee.

(5) An additional fee of $2 $5 per year for each registration of a vehicle shall be collected as a registration fee. Revenue from this fee shall be forwarded by the respective county treasurers to the state treasurer for deposit in the motor vehicle recording account of the state special revenue fund.

(6) The provisions of this part with respect to the payment of registration fees shall not apply to or be binding upon motor vehicles, trailers or semitrailers, or tractors owned or controlled by the United States of America or any state, county, or city.

(7) The provisions of this section relating to the payment of registration fees do not apply when number plates are transferred to a replacement vehicle under 61-3-317, 61-3-332(7), or 61-3-335."

-End-

STATE OF MONTANA - FISCAL NOTE
Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB492, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:
An act increasing the fee for issuance of an original certificate of ownership and transfer of title, the fee for replacement of a lost certificate, the fees for filing of security interests, and the fees for registration of vehicles.

ASSUMPTIONS:
1. FY86 revenue for titles, liens and vehicle registration is representative of FY88 and FY89 revenue.

FISCAL IMPACT:
Revenues:

(In million dollars)	FY88 Current Law	FY88 Proposed Law	FY88 Difference	FY89 Current Law	FY89 Proposed Law	FY89 Difference	Biennium Increase
Special Revenue Fund Motor Vehicle Account	$2.640	$5.992	$3.352	$2.640	$5.992	$3.352	$6.704

EFFECT ON COUNTY OR OTHER LOCAL REVENUE OR EXPENDITURES:
N/A

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:
N/A

TECHNICAL OR MECHANICAL DEFECTS IN PROPOSED LEGISLATION OR CONFLICTS WITH EXISTING LEGISLATION:
N/A

David L Hunter DATE 1/28/87
DAVID L. HUNTER, BUDGET DIRECTOR
Office of Budget and Program Planning

Joan Miles DATE 1/27/87
JOAN MILES, PRIMARY SPONSOR

Fiscal Note for HB492, as introduced.

HB. 492

1/27	INTRODUCED		
1/27	REFERRED TO JUDICIARY		
2/13	HEARING		
2/20	COMMITTEE REPORT--BILL PASSED		
2/24	2ND READING PASSED	95	1
2/24	3RD READING PASSED	97	1
2/24	RECONSIDERED ACTION ON 3RD READING		
2/24	3RD READING PASSED	100	0
	TRANSMITTED TO SENATE		
3/02	REFERRED TO JUDICIARY		
3/26	HEARING		
3/26	COMMITTEE REPORT--BILL CONCURRED		
3/30	2ND READING CONCURRED	50	0
3/30	3RD READING CONCURRED	50	0
	RETURNED TO HOUSE		
4/03	SIGNED BY SPEAKER		
4/04	SIGNED BY PRESIDENT		
4/04	TRANSMITTED TO GOVERNOR		
4/09	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 459 EFFECTIVE DATE: 7/01/89		
	CONTINGENT ON VOTER APPROVAL		

HB 492 INTRODUCED BY MILES, ET AL.
RAISING CERTAIN FEES REGARDING MOTOR VEHICLE TITLES
BY REQUEST OF DEPARTMENT OF JUSTICE

1/27	INTRODUCED		
1/27	REFERRED TO LOCAL GOVERNMENT		
1/28	FISCAL NOTE REQUESTED		
1/28	FISCAL NOTE RECEIVED		
2/02	HEARING		
2/18	COMMITTEE REPORT--BILL PASSED AS AMENDED		
2/21	2ND READING PASSED AS AMENDED	66	28
2/21	REREFERRED TO APPROPRIATIONS		
2/23	HEARING		
3/04	HEARING		
3/06	HEARING		
3/07	HEARING		
3/09	COMMITTEE REPORT--BILL PASSED		
3/11	2ND READING PASSED	53	27
3/12	3RD READING PASSED	61	36
	TRANSMITTED TO SENATE		
3/13	REFERRED TO LOCAL GOVERNMENT		
3/17	HEARING		
3/20	COMMITTEE REPORT--BILL CONCURRED		
3/24	2ND READING CONCURRED	48	0
3/26	3RD READING CONCURRED	47	3
	RETURNED TO HOUSE		
4/01	SIGNED BY SPEAKER		
4/02	SIGNED BY PRESIDENT		
4/02	TRANSMITTED TO GOVERNOR		
4/07	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 378 EFFECTIVE DATE: 1/01/88		

HB 493 INTRODUCED BY NATHE, ET AL.
REQUIRE HIGHWAY SIGNS IDENTIFYING MOUNTAIN RANGES

1/27	INTRODUCED		

1/27	REFERRED TO HIGHWAYS & TRANSPORTATION		
1/28	FISCAL NOTE REQUESTED		
1/29	FISCAL NOTE RECEIVED		
2/12	HEARING		
2/12	COMMITTEE REPORT--BILL PASSED AS AMENDED		
2/14	2ND READING PASSED	72	23
2/16	3RD READING PASSED	69	23
	TRANSMITTED TO SENATE		
2/17	REFERRED TO HIGHWAYS & TRANSPORTATION		
3/17	HEARING		
3/18	COMMITTEE REPORT--BILL CONCURRED		
3/20	2ND READING CONCURRED	49	0
3/23	3RD READING CONCURRED	45	3
	RETURNED TO HOUSE		
3/26	SIGNED BY SPEAKER		
3/27	SIGNED BY PRESIDENT		
3/27	TRANSMITTED TO GOVERNOR		
4/01	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 325 EFFECTIVE DATE: 10/01/87		

HB 494 INTRODUCED BY PATTERSON
EXEMPT FROM PROPERTY TAX ALL LIVESTOCK LESS THAN 20
MONTHS OF AGE

1/27	INTRODUCED		
1/27	REFERRED TO TAXATION		
1/27	FISCAL NOTE REQUESTED		
1/28	FISCAL NOTE RECEIVED		
2/06	HEARING		
3/24	TABLED IN COMMITTEE		

HB 495 INTRODUCED BY CORNE'
EXPAND COVERAGE OF OFFENSE OF CUSTODIAL INTERFERENCE

1/27	INTRODUCED		
1/27	REFERRED TO JUDICIARY		
2/11	HEARING		
2/23	COMMITTEE REPORT--BILL PASSED AS AMENDED		
2/24	2ND READING PASSED	87	8
2/24	3RD READING PASSED	96	4
	TRANSMITTED TO SENATE		
3/02	REFERRED TO JUDICIARY		
3/16	HEARING		
3/23	COMMITTEE REPORT--BILL CONCURRED AS AMENDED		
3/28	2ND READING CONCURRED	50	0
3/30	3RD READING CONCURRED	50	0
	RETURNED TO HOUSE WITH AMENDMENTS		
4/07	2ND READING AMENDMENTS CONCURRED	87	1
4/08	3RD READING AMENDMENTS CONCURRED	88	2
4/10	SIGNED BY SPEAKER		
4/11	SIGNED BY PRESIDENT		
4/11	TRANSMITTED TO GOVERNOR		
4/16	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 518 EFFECTIVE DATE: 10/01/87		

HB 496 INTRODUCED BY BRADLEY, ET AL.
INCREASING PUBLIC CONTRACTOR TAX; CREATING WATER
SYSTEM BOARD AND GRANT PROGRAM

MINUTES OF THE MEETING
LOCAL GOVERNMENT COMMITTEE
50TH LEGISLATIVE SESSION
HOUSE OF REPRESENTATIVES

February 2, 1987

The meeting of the Local Government Committee was called to order by Chairman Norm Wallin on February 2, 1987, at 1:00 p.m. in Room 312-F of the State Capitol.

ROLL CALL: Roll call was taken with all members present except Rep. Dave Brown who was absent. Lee Heiman, Committee Counsel from the Legislative Council was also present.

CONSIDERATION OF HOUSE BILL 492: Rep. Joan Miles, House District 45, stated they were attempting to raise revenue for the Motor Vehicle Account in the Department of Justice. The account has been used during the past few years to fund programs or portions of programs that have been paid by the general fund. The account does not generate enough money at this time to support these programs. The proposed increases in HB 492 would be used to fund the Motor Vehicle operations. The money that would be raised from the title fee going from $3 to $5 would be $450,000 per year. The proposal to raise the fee for duplicate title from $2 to $5 would bring in $57,000 per year. The fee for filing security interests or liens would go from $3 to $5 which would raise $250,000 per year over the biennium. These three areas have had no fee increases since 1965. The last section deals with increases in the registration fee. This registration fee goes into the State Special Revenue Account. It is not the license fee that goes to the counties. Subsection 5 on the last page speaks of the registration fee that goes into the Special Revenue Account. This fee would raise $2.5 million for each year of the biennium. The difference between the proposed fees and the current fees would be $3.3 million for each year of the biennium or a total of $6.7 million.

The main reason for requesting the registration fee increase is due to a law passed last session which required that there be special centennial plates and that there be a reissuance of the plates. There is no money to pay for that. Another alternative would be to repeal that section which requires reissuance of the license plates.

PROPONENTS: Larry Majerus, Administrator Motor Vehicle Division of the Department of Justice, stated they were asking for the fees to be increased because of a revenue

bill which pointed out that the Motor Vehicle Earmarked Recording Account of the State Special Fund was broke. The department was asked to review the fees and come up with a reasonable proposal. The 1979 Legislature increased the fee from $1 to $2 which funded the Crime Control Lab, and Law Enforcement Academy and the Law Enforcement Telecommunications Network (LENS). The academy and LENS also used user fees. Most of the user fees are provided by local governments on the system.

The fees under existing law now generate $2.6 million. Motor Vehicle operations use $2 million and the license plate factory in the Department of Institutions uses $500,000. On an annual basis $2 1/2 million is already used leaving no money for other programs. One alternative is to increase user fees. One recommendation increased user fees by $60,000 which would be a 30 to 40 percent increase to local governments. As an alternative to increasing user fees they proposed the increases in HB 492. These fee increases show Montana close to fees in surrounding states: California $7, Washington $7, Colorado $5.5, North Dakota $5, Idaho $3 and Wyoming $3. These are the states' title fees.

Mr. Majerus said they felt the duplicate fees were too low because it is easier to get a duplicate issued for $2 than to try to find the original. The bill increases the fee from $2 to $5. On a lien file, he said it is a considerable process and that fee would go from $3 to $5.

Mr. Majerus asked the committee to hold the bill for a week because the department's budget is being heard in subcommittee. They did not know whether the subcommittee will fund the reissuance of plates. They need $1.8 million for the reissuance as required by law. If the law is repealed, they will not need the fees increased as much as indicated in HB 492.

Gordon Morris, Executive Officer MACo, stated he was in support of HB 492 and would hope the bill would not be confused with local governments' obligation to pick up the cost for administering the centennial plates. The increase in fees represents an additional revenue source to local governments which is nontax revenue. Mr. Morris indicated there is another centennial bill, SB 204, which does propose to increase the $5 fee for purposes of helping to offset the cost to the county treasurers in administering the distribution of centennial plates.

He said there is no effective date on the bill and if it becomes law the effective date suitable for local governments would be July 1, 1987.

OPPONENTS: None.

DISCUSSION (OR QUESTIONS) ON HOUSE BILL 492: Rep. Grinde asked as a point of clarification which portion of the fees goes to the counties?

Mr. Majerus stated none of the fee changes go to the counties. All of the revenue goes to the State Motor Vehicle Recording Account. There are other funds in the bill that are not changed that currently go to the counties.

Rep. Ramirez stated on the original certificate of ownership, the fee would go from $3 to $5 and the treasurer will get $4 rather than $2. He asked if that is divided between the city and county road funds?

Mr. Majerus responded that currently $3 is collected for title transfers; $1 is kept by the county, $2 is remitted to the Department of Justice by the county treasurer. The state share of that fund is increased from $2 to $4. The fee is increased from $3 to $5.

Rep. Ramirez asked if this would replace general fund for the Crime Lab, the communications network and the Law Enforcement Academy?

Mr. Majerus replied the LFA's and Governor's budgets are different on that. The LFA has 100 percent general fund money going into the Forensic Science Division (Crime Lab). If the fees are increased possibly the motor vehicle money would be used to replace general fund money.

Rep. Ramirez asked how the $6.7 million would be used?

Mr. Majerus stated if the legislature reissues plates, the $6.7 million will be a source for that. It would be used for all the programs authorized to be funded from that money and for requested mailers. It would also provide for a contingency at the end of the fiscal year so there would be some money going to the following fiscal year.

Rep. Ramirez asked if Mr. Majerus could provide a list of how current programs are funded and how the programs are proposed to be funded with the $6.7 million.

Mr. Majerus stated he would be glad to furnish the information.

Rep. Hoffman asked if mailers referred to registration notices for renewal of licenses and would some of the money be used for that?

Mr. Majerus stated they did ask the subcommittee for an appropriation to fund mailers. The subcommittee is having a problem funding this because there is no money left in the account. That is one reason for the requested increase in fees. The increase would be additional revenue in that account which could be appropriated to the department to do mailers.

Rep. Sales asked for an approximate cost for doing the mailers?

Mr. Majerus replied slightly less than $100,000 a year.

Rep. Sales asked how much went into Forensic Science? How much went into the Law Enforcement Academy? How much went into the communications network?

Mr. Majerus replied the general fund recommendation is between $650,000 and $700,000 per fiscal year for the Forensic Science. Approximately $600,000 went into Law Enforcement and $450,000 into LENS (communication network) per fiscal year.

Rep.Gould asked where the $3 increase would go from the increase in the registration fees?

Mr. Majerus replied into the Motor Vehicle Recording Account of the State Special Fund.

Rep. Ramirez stated that presently one-third of the money for that particular fee is going to counties, cities or towns. He said the share is now being dropped to 20 percent for the city and county road funds.

Rep. Miles stated they get $1 right now and would still get $1 with the increase. The percentage of the total amount to be charged decreases; the actual dollar amount remains the same.

Rep. Ramirez asked why the counties, cities and towns are willing to have the percentage reduced instead of kept

proportional?

Mr. Morris stated they had assumed they were getting the increases. He said he still supported the bill and commented that local government should be getting an equitable portion of the increases.

Rep. Gilbert was concerned that if citizens were paying the additional fees then they should get something back that was important to them such as the registration renewal notices.

Mr. Majerus responded that they did make a strong case in requesting that the mailers be funded and hoped they would be funded. However, the account is zeroed out. It is a budgetary or legislative decision to fund the mailers.

Rep. Pistoria asked that being approximately $6 million will be taken in shouldn't local government get more money?

Rep. Majerus responded that on page 6, lines 22 through 25 of the bill, that this is an existing license fee. He suggested that be the proper place to increase fees which now go to local government.

Rep. Miles in closing stated Mr. Morris was correct about the effective date and it should be July 1, 1987. She stated she is all for the counties getting more money but they did not want to come in with a bill with all kinds of fee increases. They tried to look at fees that have not been raised in recent years in trying to fund the special revenue fund. She stated Section 4 of the bill is the place to increase the money going to local government.

Rep. Miles stated they are assuming there will be no money to fund the programs normally funded by this particular special revenue account and in that case if a portion or all of HB 492 passes that money would go into the special revenue account. The Appropriations' subcommittee would again decide how that money would be spent.

She stated she would provide the committee with a breakdown for each category and also a breakdown of $1 increases on fees so if the committee decided to only increase some fees by $1 they would have that information.

DAILY ROLL CALL

LOCAL GOVERNMENT COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date 2/2/87

NAME	PRESENT	ABSENT	EXCUSED
REP. NORM WALLIN, CHAIRMAN	✓		
REP. RAY BRANDEWIE, VICE CHAIRMAN	✓		
REP. BUDD GOULD	✓		
REP. REP. TIMOTHY WHALEN	✓		
REP. PAULA DARKO	✓		
REP. TOM BULGER	✓		
REP. JAN BROWN	✓		
REP. BOB GILBERT	✓		
REP. LARRY GRINDE	✓		
REP. WALTER SALES	✓		
REP. STELLA JEAN HANSEN	✓		
REP. PAUL PISTORIA	✓		
REP. ROBERT HOFFMAN	✓		
REP. LES KITSELMAN	✓		
REP. JACK RAMIREZ	✓		
REP. DAVE BROWN		✓	
REP. CAROLYN SQUIRES	✓		

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to the pollution is their vehicles were registered in another county?

Mr. Church responded he did not have any figures as to how many students drive vehicles there or have them registered in other counties.

Rep. Kitselman commented that Billings is a shopping area and has people coming from other jurisdictional areas that would contribute to the air quality problems and asked if they would be assessed?

Mr. Church replied that since the fee assessment in the bill is set up on a countywide basis everyone in the county would be assessed the fee. Those out of state or from counties not having the air quality programs would not be assessed the fee.

Rep. Wallin commented that the new cars have emission control devises that take care of the pollution problem and asked how it would be adjusted between new cars and late model cars?

Mr. Church stated that was correct in theory for the new cars but their information shows that a lot of cars are missing the catalytic combustors. There is no inspection and maintenance program to insure that they are functioning properly.

Rep. Kadas in closing stated concerning the questions about students, that in Missoula over 25 percent are over 25 years of age and in most cases live in the community and so are paying. He stated the people in the community want the program. He said to try and devise a system so the people who are given the benefit of the program pay equal and proportionate share of their benefit is very difficult. On the question of people who have cars and who pay property taxes paying twice, Rep. Kadas said there is a certain number of dollars that is needed to fund the program. The only other option is to raise property taxes. Automobiles clearly represent a large part of the pollution just in the dust they kick up regardless of the type of air pollution control they have on the automobile. He said it is an important problem for some communities. He said he knew there was concern about the amount of fees going on vehicles but did not feel this an unjust way of funding the program.

EXECUTIVE ACTION

DISPOSITION OF HOUSE BILL 492: Chairman Wallin explained that HB 492, Rep. Miles' bill, had been held at the request of Larry Majerus from the Motor Vehicle Division in the Department of Justice pending action on their budget in

the Appropriations Subcommittee. Larry Majerus, Administrator of the Division was present at the request of the Chairman to give the information in regards to questions raised by the committee at the time of hearing and to explain an amendment to HB 492.

Mr. Majerus stated the subcommittee has not concluded their work but the information sheet (Exhibit 8) showed the programs presently funded by the subcommittee. He said the programs that have been funded are programs that have been funded since 1979. There are no new programs. Page 2 shows how much money could be raised by the increase in the fees proposed in HB 492. Mr. Majerus stated their recommendation based on the work to date is the title, duplicate title, and lien fees be raised to $5 and the registration fee be raised to $3. He stated that Gary Carrell was present from the department to answer any questions concerning the criminal investigation bureau.

Mr. Majerus stated the amendment (Exhibit 9) is simple and implements their recommendation for the bill to become effective January 1, 1988. The reason is because of the cost to make a special adjustment on the computer system. January 1, counties will need to make an adjustment and this would be the best time to make the fee adjustment at the same time.

Rep. Brandewie moved to DO PASS HB 492. He moved to DO PASS the AMENDMENTS. The question was called. The amendments were adopted unanimously.

Rep. Darko moved to DO PASS HB 492 AS AMENDED.

Rep. Ramirez commented the certificate fee is being raised from $3 to $5 and none of the increase is going to the county. Rep. Ramirez stated he wanted to see some of the programs continue but the increases are hard to justify. He was concerned the increases being put more and more on the vehicle and gas fees.

Rep. Gilbert agreed with Rep. Ramirez. He stated looking down the information sheet that all those programs are being funded and are not the function of the registrar of motor vehicles. There is in excess of $1 1/2 million of outside spending over the biennium on the information sheet.

Rep. Kitselman commented he is still very aware of I27 and I105. He has spoken with the people at home and they question what is being done to reduce spending. He felt it time to reduce some areas and fund

essential services and give relief to the taxpayers at home.

Rep. Whalen stated that AAA has taken a position with use of small licensing fees but has not taken a position on the sales tax which could potentially hurt motorists the most. He commented that whether referred to as taxes or fees, the increases are revenue raising measures.

Rep. Ramirez felt the public is not fully aware of all the increases that are being put on. He thought a reasonable increase warranted but not 100 to 150 percent increases in these fees.

Rep. Ramirez moved to AMEND HB 492 to increase each of the fees $1. The question was called and a roll call vote was taken. The motion passed by a vote of 10 to 6.

Rep. Gould moved to AMEND HB 492 to change the effective date to January 1, 1988. The question was called and the motion carried unanimously.

Rep. Brandewie moved to DO PASS HB 492 AS AMENDED. The question was called and the motion carried with Reps. Grinde, Kitselman and Sales voting no.

DISPOSITION OF HOUSE BILL 773: Rep. Gould moved DO NOT PASS on HB 773.

Rep. Whalen as a substitute motion moved to DO PASS HB 773.

Rep. Gould stated he opposed the bill that was heard two years ago. He said the $100,000 to $140,000 it will cost Missoula County is not that well spent. He did not feel the $1.50 was needed to be put on the vehicles.

Rep. Kitselman moved to TABLE HB 773. The motion carried with Reps. Dave Brown, Darko, Bulger, Hansen, Squires, and Whalen voting no.

DISPOSITION OF HOUSE BILL 762: Rep. Jan Brown asked for action to be held until Friday on HB 762 to check with Rep. Donaldson on the original intent of the bill which was a concern with the committee.

DISPOSITION OF HOUSE BILL 380: HB 380 was returned to the committee from Second Reading on the House Floor. Rep. Dave Brown moved to TABLE HB 380. The motion carried with Rep. Sales voting no.

DISPOSITION OF HOUSE BILL 745: Rep. Hansen moved to DO PASS HB 745.

DAILY ROLL CALL

LOCAL GOVERNMENT COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date 2/18/87

NAME	PRESENT	ABSENT	EXCUSED
REP. NORM WALLIN, CHAIRMAN	✓		
REP. RAY BRANDEWIE, VICE CHAIRMAN	✓		
REP. BUDD GOULD	✓		
REP. REP. TIMOTHY WHALEN	✓		
REP. PAULA DARKO	✓		
REP. TOM BULGER	✓		
REP. JAN BROWN	✓		
REP. BOB GILBERT	✓		✓
REP. LARRY GRINDE	✓		
REP. WALTER SALES	✓		
REP. STELLA JEAN HANSEN	✓		
REP. PAUL PISTORIA			✓
REP. ROBERT HOFFMAN	✓		
REP. LES KITSELMAN	✓		
REP. JACK RAMIREZ	✓		
REP. DAVE BROWN	✓		
REP. CAROLYN SQUIRES	✓		

CS-30

STANDING COMMITTEE REPORT

February 19 19 87

Mr. Speaker: We, the committee on LOCAL GOVERNMENT

report SB 492

☒ do pass ☐ be concurred in ☒ as amended
☐ do not pass ☐ be not concurred in ☐ statement of intent attached

Rep. Norm Wallin
Chairman

1. Title, line 9.
Strike: "AND"

2. Title, line 10.
Following: "MCA"
Insert: "AND PROVIDING AN EFFECTIVE DATE"

3. Page 1, line 16.
Strike: "$5"
Insert: "$4"

4. Page 1, line 20.
Strike: "Four"
Insert: "Three"

5. Page 2, line 13.
Strike: "$5"
Insert: "$3"

6. Page 5, line 24.
Strike: "$5"
Insert: "$4"

7. Page 6, line 1.
Strike: "$5"
Insert: "$4"

8. Page 6, line 6.
Strike: "$5"
Insert: "$4"

9. Page 8, line 5.
Strike: "$5"
Insert: "$4"

9. Page 8.
Following: line 19
Insert: "NEW SECTION. Section 5. Effective date. This act is effective January 1, 1988."

FIRST reading copy (WHITE color)

EXHIBIT 8
DATE 2-18-87
HB 492

INFORMATION SHEET

HB 492

The Department of Justice submits the following information on programs funded out of the Motor Vehicle Recording Account.

The following programs were funded in total or in part out of the Motor Vehicle Recording Account by the General Government Appropriations Subcommittee for the 1989 biennium.

	FY 88	FY 89
Motor Vehicle Division		
Registrar's Bureau	$1,993,923	$1,981,572
Audit Fee	5,205	
Driver Services (partial)	304,341	300,986
*License Plate Factory	485,000	496,000
Data Processing Division (partial)		
Crim.Just.Info.Network (LENS)	387,391	384,443
Law Enforcement Academy (partial)	516,403	511,920
Forensic Science Div. (partial)	440,502	-0-
**Criminal Investigation Bureau	145,864	129,136
Matching funds for anti-drug enforcement program		
	$4,278,629	$3,804,057

* This funding level does not include a reissue of license plates

**The appropriation of matching funds for the federal anti-drug enforcement money was made contingent upon the passage of HB 492 in a form which provides increased revenue to the motor vehicle recording account.

The appropriation of state matching funds for the federal anti-drug enforcement program is critical. Montana has a severe illegal drug problem. Enforcement agencies in the surrounding states, the drug enforcement administration, Customs and the F.B.I. have told the Department of Justice repeatedly that Montana's lack of a statewide enforcement program has a negative effect on the ability of law enforcement to fight crime in Montana. Local law enforcement agencies simply cannot afford to

maintain ongoing undercover criminal investigations. The State needs a statewide investigative team to carry out ongoing undercover investigations against traffickers in illegal drugs and stolen property at the request of local agencies.

The federal Anti-Drug Enforcement Act of 1986 established a program to provide grant funds to state and local agencies for the purpose of enforcing laws relating to illegal drugs and stolen property. Under the federal program funds will be available to the states on a 75% - 25% cash match basis. The Department of Justice developed a proposal based on information provided by the Montana Board of Crime Control as to the amount of money that will be available to Montana for state law enforcement purposes. Should the State not appropriate the matching funds, Montana will not be eligible for the $732,000 in federal money available for the 1989 biennium to combat the trafficking of illegal drugs.

Under House Bill 492, revenue projection is as follows:

	Current Fee	Per $1 Increase	All to $5 Increase
Title	$3 *	225,000	450,000
Duplicate	$2	19,000	57,000
Lien	$3	125,000	250,000
Registration	$2	865,000	2,595,000
		$1,234,000	$3,352,000

*County keeps $1

The Department of Justice suggests that the Committee consider raising the title, duplicate title, and lien fees to $5 and the registration fee to $3 effective January 1, 1988. The title, duplicate title, and lien fees have not been raised since 1965 and the registration fee was last raised in 1979. Increased revenue from enacting this proposal would be:

	FY 88	FY 89
Title, Duplicate & Lien	$375,000	$757,000
Registration Fee	519,000	865,000
	$894,000	$1,622,000

Increasing the fees at this rate would provide sufficient funds to meet existing demands on the Motor Vehicle Recording Account and would provide matching funds for the federal anti-drug enforcement grant money. Designating January 1, 1988 as the effective date does not increase the burden on the counties for changing the fees on their computers since other adjustments must also be made January 1, 1988.

Under current law, revenue deposited in the Motor Vehicle Recording Account from fees addressed by HB 492 are as follows:

	FY 87 Current Revenue
Title	$ 497,000
Duplicate Title	38,000
Lien	375,000
Registration	1,730,000
Miscellaneous (information requests, personalized plates, etc.)	694,000
	$3,334,000

Should the Committee recommend a registration fee increase to $4 or $5 for the registration fee, the projected revenue increase would allow the Appropriations Committee to fund a greater proportion of those programs eligible for motor vehicle funding off that account thereby reducing demand on the general fund. All of the programs funded out of the Motor Vehicle Recording Account are related to law enforcement and involve to a great extent the use of motor vehicles.

In answer to Chairman Rehberg's question regarding the existing funding in the department to pay for this, Ms. Hansen said it was being used in this fiscal year to make up the five percent cuts. Because it is included in the budget for next year, there will be an additional $88,000 in the Motor Vehicle Account to use to offset the general fund in one of the other programs.

The meeting closed on HB 385.

(10.30)

House Bill 492

Rep. Joan Miles, District 45, Lewis & Clark County, introduced HB 492. (Exhibit No. 3) The bill raises by $1.00 the fee on new motor vehicle titles, duplicate titles, liens and registration fee. The fiscal note is not correct. At this point, in FY 88, $703,500 would be raised and in FY 89, $1,234,000. The difference in the amounts result from the effective date of January 1, 1988 in order to coincide with the computer changes being made by the counties. Essentially this bill generates monies for the Motor Vehicle Revenue Account and the intent of the bill is to fund some programs in order to offset the general fund.

Chairman Rehberg called for proponents.

Proponents

Larry Majerus, Administrator of the Motor Vehicle Division, Department of Justice, told the committee the duplicate title and lien fees have not been increased since 1965 and the registration fee was last increased in 1979.

Susan Hansen reminded the committee they had approved the match for the federal anti-drug enforcement monies contingent upon passage of this bill. She stated if this bill passed, in its present form, there would be sufficient monies to fund not only the drug match, but also totally fund the Forensic Science Division and to transfer a portion of the Data Processing Division, which supports the Motor Vehicle Account, into this account, thereby offsetting the general fund monies.

Chairman Rehberg called for opponents.

There were no opponents.

Sen. Gage asked Ms. Hansen if there would be sufficient monies to fund the agent at Sweetgrass for the Criminal Investigation Bureau. Ms. Hansen said there would be almost $75,000 additional dollars available the first year and about $200,000 the second year.

The meeting closed on HB 492.

(14.45)

House Bill 607

Rep. Nancy Keenan, District 66, Deer Lodge County, introduced HB 607. (Exhibit No. 4) The bill was basically introduced to look at the signing problems in Montana, asking for an inventory of the signs and to look at a statewide signing program, much like the highway program. She stated the state has been remiss in this area. She used the Pintlar Scenic Route in her demonstration as an example, indicating the lack of signs referring to the area services or activities. (i.e., lakes, ski area, swimming pools and the wilderness.) She referred to the lack of signs indicating cities in Montana after a tourist leaves Butte. The only highway signs refer to Spokane. With the focus now on tourism, the signs are important to inform tourists of recreational areas and services available. This bill also provides that the Department of Highways, in conjunction with the Historical Society and the Department of Commerce, determine a plan to develop this signage. Rep. Keenan said the Department of Highways already has an inventory of signs. What needs to be done is to determine where to place these signs to adequately mark the areas and services available. The $35,000 fiscal note will come from the hotel-motel tax, if it passes; otherwise, this will be general fund money. The plan and cost should be ready to go by the next session. It is important to get the tourists off the highways and this cannot be done without the signs.

Chairman Rehberg called for proponents.

Proponents

Jim Scoonover, President of the Pintlar Scenic Route, Philipsburg, addressed the committee. Their committee is working closely with the Forest Service in developing signage for areas of interest to tourists. As he has traveled the state, he said he was very well aware of the lack of signage. He said we invite tourists to our state, but we do not tell them what to do or where to go.

DAILY ROLL CALL

GENERAL GOVERNMENT & HIGHWAYS SUBCOMMITTEE

DATE March 4, 1987

NAME	PRESENT	ABSENT	EXCUSED
REPRESENTATIVE DENNIS REHBERG	✓		
SENATOR LARRY STIMATZ	✓		
SENATOR DEL GAGE	✓		
SENATOR THOMAS KEATING			
REPRESENTATIVE HAROLD POULSEN	✓		
REPRESENTATIVE JOE QUILICI	✓		

Form CS-30A
Rev. 1985

HOUSE BILL NO. 492

INTRODUCED BY MILES, HARP

BY REQUEST OF THE DEPARTMENT OF JUSTICE

A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING THE FEE FOR ISSUANCE OF AN ORIGINAL CERTIFICATE OF OWNERSHIP AND TRANSFER OF TITLE, THE FEE FOR REPLACEMENT OF A LOST CERTIFICATE, THE FEES FOR FILING OF SECURITY INTERESTS, AND THE FEES FOR REGISTRATION OF VEHICLES; ~~AND~~ AMENDING SECTIONS 61-3-103, 61-3-203, 61-3-204, AND 61-3-321, MCA; AND PROVIDING A DELAYED EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 61-3-203, MCA, is amended to read:

"61-3-203. Fee for original certificate of ownership and transfer of title -- disposition. A charge of ~~$3 shall~~ $5 $4 must be made for issuance of an original certificate of ownership of title and for a transfer of registration which ~~shall~~ must be collected by the county treasurer. The fees ~~shall~~ must be distributed as follows:

(1) ~~Two~~ Four THREE dollars of each fee ~~shall~~ must be remitted to the department by the county treasurer with each application for original certificate of ownership or transfer of registration.

(2) Prior to March 1, 1966, and each March thereafter, the county commissioners of each county shall divide the fees retained by the county to:

(a) the city road fund of each city and town within the county based on the number of motor vehicles registered inside the corporate limits of each city or town; and

(b) the county road fund based on the number of motor vehicles registered outside the corporate limits of cities and towns."

Section 2. Section 61-3-204, MCA, is amended to read:

"61-3-204. Lost certificates. In the event any certificate of ownership is lost, mutilated, or becomes illegible, the owner shall immediately make application for and obtain a duplicate thereof, upon furnishing satisfactory evidence of such facts and upon payment of a fee of ~~$2~~ $5 $3. Revenue from this fee ~~shall~~ must be deposited in the motor vehicle recording account of the state special revenue fund."

Section 3. Section 61-3-103, MCA, is amended to read:

"61-3-103. Filing of security interests, rights, procedure, fees. (1) No security interest in a motor vehicle shall be valid as against creditors, subsequent purchasers, or encumbrancers unless a lien notice, on a form approved by the department, that shows a security interest has been created, has been filed with the department as provided in this section. The department shall not file any security

3-4-87

interest or other lien unless it is accompanied by or specified in the application for a certificate of ownership of the vehicle encumbered. If the approved notice form is transmitted to the department, the security agreement or other lien instrument that creates the security interest must be retained by the secured party. A copy of the security agreement is sufficient as a lien notice if it contains the name and address of the debtor and the secured party, the complete vehicle description, amount of lien, and is signed by the debtor. The department shall file the security interest or lien by entering the name and address of the secured party upon the face of the certificate of ownership. The department shall mail a statement certifying to the filing of a security interest or lien to the secured party. The department shall mail the certificate of ownership to the owner at the address given on the certificate; however, if the transfer of ownership and filing of the security interest are paid for by a creditor or secured party, the department shall return the certificate of ownership to the county treasurer where the vehicle is to be registered. The owner of a motor vehicle is the person entitled to operate and possess such motor vehicle.

(2) A security interest in a motor vehicle held as inventory by a dealer licensed under the provisions of

61-4-101, must be perfected in accordance with Title 30, chapter 9, and no endorsement on the certificate of title is necessary for perfection.

(3) Whenever a security interest or lien is filed against a motor vehicle that is subject to two security interests previously perfected by filing under this section, the department shall endorse on the face of the certificate of ownership, "NOTICE. This motor vehicle is subject to additional security interests on file with the Department of Justice." No other information regarding such additional security interests need be endorsed on the certificate.

(4) Satisfactions or statements of release filed with the department under this chapter shall be retained by it for a period of 8 years after receipt, after which they may be destroyed.

(5) The filing of a security interest or other lien, as herein provided, perfects a security interest which has attached at the time the certificate of ownership noting such interest is issued. Issuance of a certificate of ownership constitutes constructive notice to subsequent purchasers or encumbrancers, from the time of filing, of the existence of the security interest.

(6) Upon default under a chattel mortgage or conditional sales contract covering a motor vehicle, the mortgagee or vendor has the same remedies as in the case of

other personal property. In case of attachment of motor vehicles all the provisions of 27-18-413, 27-18-414, and 27-18-804 shall be applicable except that deposits must be made with the department.

(7) A conditional sales vendor or chattel mortgagee or assignee who fails to file a satisfaction of a chattel mortgage, assignment, or conditional sales contract within 15 days after receiving final payment shall be required to pay the department the sum of $1 for each day thereafter that he fails to file such satisfaction.

(8) Upon receipt of any liens, or notice of liens dependent on possession, or attachments, etc., against the record of any motor vehicle registered in this state, the department shall within 24 hours mail to the owner, conditional sale vendor, mortgagees, or assignees of any thereof a notice showing the name and address of the lien claimant, amount of the lien, date of execution of lien, and in the case of attachment the full title of the court and the action and the name of the attorneys for the plaintiff and/or attaching creditor.

(9) It shall not be necessary to refile with the department any instruments on file in the offices of the county clerk and recorders at the time this law takes effect.

(10) A fee of ~~$3 shall~~ $5 $4 must be paid to the

department to file any security interest or other lien against a motor vehicle. The ~~$3~~ $5 $4 fee shall include and cover the cost of filing a satisfaction or release of the security interest and also the cost of entering such satisfaction or release on the records of the department and deleting the endorsement of the security interest from the face of the certificate of ownership. A fee of ~~$3 shall~~ $5 $4 must be paid the department for issuing a certified copy of a certificate of ownership subject to a security interest or other lien on file in the office of the department, or for filing an assignment of any security interest or other lien on file with the department. All fees provided for in this section ~~shall~~ must be deposited by the department in the motor vehicle recording account of the state special revenue fund."

Section 4. Section 61-3-321, MCA, is amended to read:

"61-3-321. Registration fees of vehicles -- public-owned vehicles exempt from license or registration fees -- disposition of fees. (1) Registration or license fees shall be paid upon registration or reregistration of motor vehicles, trailers, housetrailers, and semitrailers, in accordance with this chapter, as follows:

(a) motor vehicles weighing 2,850 pounds or under (other than motortrucks), $5;

(b) motor vehicles weighing over 2,850 pounds (other

than motortrucks), $10;

(c) electrically driven passenger vehicles, $10;

(d) all motorcycles and quadricycles, $2;

(e) tractors and/or trucks, $10;

(f) buses shall be classed as motortrucks and licensed accordingly;

(g) trailers and semitrailers less than 2,500 pounds maximum gross loaded weight and housetrailers of all weights, $2;

(h) trailers and semitrailers over 2,500 up to 6,000 pounds maximum gross loaded weight (except housetrailers), $5;

(i) trailers and semitrailers over 6,000 pounds maximum gross loaded weight, $10;

(j) trailers used exclusively in the transportation of logs in the forest or in the transportation of oil and gas well machinery, road machinery, or bridge materials, new and secondhand, shall pay a fee of $15 annually, regardless of size or capacity.

(2) All rates shall be 25% higher for motor vehicles, trailers, and semitrailers not equipped with pneumatic tires.

(3) "Tractor", as specified in this section, means any motor vehicle except passenger cars used for towing a trailer or semitrailer.

(4) If any motor vehicle, housetrailer, trailer, or semitrailer is originally registered 6 months after the time of registration as set by law, the registration or license fee for the remainder of the year shall be one-half of the regular fee.

(5) An additional fee of ~~$2~~ $5 ~~$4~~ $3 per year for each registration of a vehicle shall be collected as a registration fee. Revenue from this fee shall be forwarded by the respective county treasurers to the state treasurer for deposit in the motor vehicle recording account of the state special revenue fund.

(6) The provisions of this part with respect to the payment of registration fees shall not apply to or be binding upon motor vehicles, trailers or semitrailers, or tractors owned or controlled by the United States of America or any state, county, or city.

(7) The provisions of this section relating to the payment of registration fees do not apply when number plates are transferred to a replacement vehicle under 61-3-317, 61-3-332(7), or 61-3-335."

NEW SECTION. SECTION 5. EFFECTIVE DATE. THIS ACT IS EFFECTIVE JANUARY 1, 1988.

-End-

STATE OF MONTANA - FISCAL NOTE
Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB492, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:
An act increasing the fee for issuance of an original certificate of ownership and transfer of title, the fee for replacement of a lost certificate, the fees for filing of security interests, and the fees for registration of vehicles.

ASSUMPTIONS:
1. FY86 revenue for titles, liens and vehicle registration is representative of FY88 and FY89 revenue.

FISCAL IMPACT:
Revenues:

(In million dollars)	FY88 Current Law	FY88 Proposed Law	FY88 Difference	FY89 Current Law	FY89 Proposed Law	FY89 Difference	Biennium Increase
Special Revenue Fund Motor Vehicle Account	$2.640	$5.992	$3.352	$2.640	$5.992	$3.352	$6.704

EFFECT ON COUNTY OR OTHER LOCAL REVENUE OR EXPENDITURES:
N/A

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:
N/A

TECHNICAL OR MECHANICAL DEFECTS IN PROPOSED LEGISLATION OR CONFLICTS WITH EXISTING LEGISLATION:
N/A

David L Hunter DATE 1/28/87
DAVID L. HUNTER, BUDGET DIRECTOR
Office of Budget and Program Planning

Joan Miles DATE 1/27/87
JOAN MILES, PRIMARY SPONSOR

Fiscal Note for HB492, as introduced.

HB 92

Sen. Keating moved the committee TABLE HB 385.

He stated he did not feel it should be made statutory that the cards be sent out. If a financial problem should develop in the program and it is made a statutory requirement, it will have to be funded.

Chairman Rehberg supported the motion and suggested the expenditure of the $2.00 fee be line-itemed for this specific purpose. This will require going back into the budget.

A voice vote was taken and the motion PASSED, with Rep. Quilici voting no.

105B:0.00

HOUSE BILL 492

Clayton said the correct figures on the fiscal note should be $703,500 in FY 88 and $1,234,000 in FY 89 under the difference column. The fees will be used to fund the Forensic Lab, Data Processing and the drug match.

Chairman Rehberg reminded the committee the drug match was approved contingent upon the passage of this bill.

EXECUTIVE ACTION

Rep. Quilici moved the bill DO PASS.

Chairman Rehberg said he would oppose the bill as he considered raising fees to be a backdoor attempt to raise taxes. He would, however, support funding the drug match from the general fund as he considered that to be an essential government service.

A voice vote was taken and the motion PASSED, with Chairman Rehberg and Sen. Keating voting no.

HOUSE BILL 607

Rep. Quilici said the bill should be a little more specific as to the funding and perhaps the committee should consider re-inserting the language referring to HB 84 passing.

Sen. Gage suggested talking to Gary Wicks about the possibility of the Highway Department funding this program. The availability of federal funds was also discussed.

Sen. Keating said he could not support this bill as long as the reference is made to using general fund monies as he did not

They gave the finance committee a new source of funding that doesn't raise taxes, doesn't raise fees, it puts $2 on a ticket that is ridiculously low. It is a free source of funding. It lets speeding violators fund a very valuable program which is the light vehicle registration program. It will tend to maybe slow down traffic to the degree necessary to keep them under the line, the federal dividing line, when they determine what highway funds for states are going to sanctioned. It also raises the speed limit of the state of Montana to 65 if the federal government agrees. He asked the committee to consider the benefits this bill would offer the state.

Rep. Devlin moved to reconsider action on HB 291. Rep. Quilici called the question. Rep. Miller voted NO. There was a roll call vote. Reps Donaldson, Bradley, Connelly, Devlin, Menahan and Quilici voted YES. Reps. Thoft, Iverson, Menke, Miller, Spaeth, Swift, and Switzer voted NO. The motion FAILED by a vote of 6 to 7.

HB 492: (42:A:32.52)

Rep. Quilici said this bill received a do pass recommendation in the subcommittee. With the passage of this bill, the drug match would be funded and also the forensic science lab. These fees have not been increased since 1965.

(42:A:34.30) Rep. Quilici moved HB 492 DO PASS. Rep. Menke called the question. There was a roll call vote. Reps. Donaldson, Bradley, Connelly, Iverson, Menahan, Miller, Quilici, and Spaeth voted YES. Reps. Thoft, Devlin, Menke, Swift, and Switzer voted NO. The motion CARRIED by a vote of 8 to 5.

HB 607:

Rep. Quilici stated the subcommittee recommended a do pass as amended on HB 607. The amendment was distributed (Exhibit 2). The amendments strike: "HB 84 and it shall be paid through a bill." The subcommittee thought it should be more precise regarding how the program would be funded. They also struck the language that the program would not be funded by general fund in the event HB 84 did not pass. Rep. Quilici explained the bill would allow for signs designating such things as lakes and other tourist attractions, in an attempt to benefit the tourism in the state, to be erected. This would let people know that such areas exist.

ROLL CALL VOTE

HOUSE APPROPRIATIONS COMMITTEE

DATE 3/7 BILL NO. House Bill NUMBER 492

NAME	AYE	NAY
Rep. Gene Donaldson, Chairman	✓	
Rep. Bob Thoft, Vice Chairman		✓
Rep. Cal Winslow, Vice Chairman	—	—
Rep. Francis Bardanouve	—	—
Rep. Dorothy Bradley	✓	
Rep. Mary Ellen Connelly	✓	
Rep. Gerry Devlin		✓
Rep. Dennis Iverson	✓	
Rep. Rex Manuel	—	—
Rep. Red Menahan	✓	
Rep. Larry Menke		✓
Rep. Ron Miller	✓	
Rep. Dennis Nathe	—	—
Rep. Ray Peck	—	—
Rep. Harold Poulsen	—	—
Rep. Joe Quilici	✓	
Rep. Dennis Rehberg	—	—
Rep. Gary Spaeth	✓	
Rep. Bernie Swift		✓
Rep. Dean Switzer		✓

TALLY MOTION CARRIED 8 5

Denise Thompson
Secretary

Rep. Gene Donaldson
Chairman

MOTION: Rep. Quilici moved HB 492 DO PASS.

Form CS-31
Rev. 1985

DAILY ROLL CALL

APPROPRIATIONS COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date 2/7/87

NAME	PRESENT	ABSENT	EXCUSED
DONALDSON, GENE Chairman	✓		
THOFT, REP. BOB Vice Chair	✓		
WINSLOW, REP. CAL			✓
BARDANOUVE, FRANCIS			✓
BRADLEY, DOROTHY	✓		
CONNELLY, MARY ELLEN	✓		
DEVLIN, GERRY	✓		
IVERSON, DENNIS	✓		
MANUEL, REX			✓
MENAHAN, RED	✓		
MENKE, LARRY	✓		
MILLER, RON	✓		
NATHE, DENNIS	✓		
PECK, RAY	✓		
POULSEN, HAROLD			✓
QUILICI, JOE	✓		
REHBERG, DENNIS			✓
SPAETH, GARY	✓		
SWIFT, BERNIE	✓		
SWITZER, DEAN	✓		

CS-30

as county officials, including superintendents of school. She felt the stipulation for a salary commission would destroy stability and continuity in the county offices.

Shirley Isbell, Hill County School Superintendent, said she works 10 hours a day, but will not work 10 hours for 5 hours pay. She said she has cut expenses by $12,000 and can't cut further.

Tim Solomon, sheriff at Havre, and speaking for the Peace Officers Association, said he opposed both bills.

Greg Groepper, Administrator of the Property Assessment Division, asked to give a technical comment on HB 561. As originally written, the bill had a separate clause for elected assessors and deputies because the state funds 100% of the assessors' salaries and 70% of the deputies' salaries. According to the way the bill reads as amended, whatever salary is set by the county commissioners for the assessors and deputies would be the state's responsibility.

QUESTIONS FROM THE COMMITTEE: Senator Harding asked why there was dissatisfaction with the present statute as it is set up with the salary commission. Gordon Morris said MACo supported HB 338 and are now supporting HB 561. In 1985, this bill appeared in the House but didn't make it to the Senate. He said they didn't participate at that time, but there were many complaints about the system which continued. This bill evolved out of the complaints.

Spokesman for the Treasurers' Association, Mr. Harrington, said they are happy with the present system, but if it is to be returned to the local level, they hope it is assigned to a salary commission rather than the county commissioners.

Mr. Barber said the County Assessors are happy with the current law.

Due to a time constraint for the sponsor of House Bill 492, the chairman interrupted the hearing on HB 531 and HB 561 to hold the hearing for House Bill 492.

CONSIDERATION ON HOUSE BILL 492: Rep. Joan Miles, Helena, House District 45, presented the bill saying it had nothing to do with local government, but proposed to raise fees regarding automobile titles. The state is looking for new ways to raise money to take the burden off the General Fund. This bill would increase the fee for issuance of an original certificate of ownership and transfer of title,

the fees for replacement of a lost certificate, fees for filing of security interests, and the fees for registration of vehicles. She submitted a sheet showing the fiscal information on her bill, attached as Exhibit 11.

PROPONENTS: Larry Majerus, Administrator of the Motor Vehicle Division, said one of the reasons for this bill was the state would receive federal matching funds for anti-drug enforcement. He said $1 of the title fee will stay in the county for the processing of titles. He urged support saying the title fee had not been raised since 1965 and is not generating enough money to fund programs it is supposed to fund.

OPPONENTS: There were no opponents.

QUESTIONS FROM THE COMMITTEE: There were no questions.

Rep. Miles closed the hearing on House Bill 492.

CONTINUATION OF THE QUESTION PERIOD ON HOUSE BILL 561: Senator Beck asked if the reason for the bill was to solve the financial problem caused by I-105. Mr. Morris said the bill wouldn't resolve the $1 million loss in revenue sharing, but it is a tool counties can use in addition to the salary freeze provided in last year's special session.

In closing, Rep. Simon said the bill was an attempt to provide the county commissioners options they can use if they see the need. He suggested all opponents carefully study the bill and said they will find it answers most of their objections. Some counties have lower populations and thus, certain county officials will have somewhat different duties. Problems are indigenous to the 56 different counties. County commissioners are in the same courthouse with the county officials and know the problems and how to solve them. Complaints about the present system led to the drafting of the bill and he urged the committee to seriously study it.

CONTINUATION OF THE QUESTION PERIOD OF HOUSE BILL 531: Senator Eck asked if the cities have the authority to adjust hours county offices keep at present. Allen Tandy, City Manager of Billings, said a charter city with self-governing powers such as Billings has that power.

ROLL CALL

SENATE LOCAL GOVERNMENT COMMITTEE

48th LEGISLATIVE SESSION -- 1987 Date 3-17-87

SENATE SEAT #

NAME	PRESENT	ABSENT	EXCUSED
Chairman Bruce Crippen	X		
R. J. Pinsoneault	X		
Tom Beck	X		
Dorothy Eck	X		
H. Swede Hammond	X		
Ethel Harding	X		
Les Hirsch 1	X		
Peter Story	X		
Eleanor Vaughn	X		
Mike Walker	X		

Each day attach to minutes.

Joan Miller

SENATE LOCAL GOVERNMENT
EXHIBIT NO. 11
DATE 3-17-87
BILL NO. HB 492

INFORMATION SHEET

HB 492

Under House Bill 492, revenue projection is as follows:

	Current Fee	Per $1 Increase
Title	$3 *	225,000
Duplicate	$2	19,000
Lien	$3	125,000
Registration	$2	865,000
		$1,234,000

*County keeps $1

The Committee raised the title, duplicate title, and lien fees by $1 and the registration fee to $3 effective January 1, 1988. The title, duplicate title, and lien fees have not been raised since 1965 and the registration fee was last raised in 1979. Increased revenue from enacting this proposal would be:

	FY 88	FY 89
Title, Duplicate & Lien	$184,500	$369,000
Registration Fee	519,000	865,000
	$703,500	$1,234,000

Increasing the fees at this rate would provide funds to meet existing demands on the Motor Vehicle Recording Account and would provide matching funds for the federal anti-drug enforcement grant money. Designating January 1, 1988 as the effective date does not increase the burden on the counties for changing the fees on their computers since other adjustments must also be made January 1, 1988.

SENATE LOCAL GOVERNMENT
EXHIBIT NO. 12
DATE 3-17-87
BILL NO. HB 492

Senate Committee on Local Government March 17, 1987

AMENDMENTS TO HOUSE BILL 762
(suggested by Alec Hansen)

1. Title, lines 7 through 9.
Following: "MUNICIPALITY;"
Strike: remainder of line 7 through "ANNEXATION;" on line 9

2. Page 1, line 25.
Following: "incorporates"
Strike: "additional area"
Insert: "an area where persons or businesses are currently"

3. Page 2, lines 4 and 5.
Following: "service to"
Strike: remainder of line 4 through "the area" on line 5
Insert: "those persons or businesses or their successors in interest"

4. Page 2, line 8.
Following: "service to"
Insert: "the customers within"

5. Page 2, line 9.
Following: "and"
Insert: "who were receiving service at the time of annexation or their successors in interest"

6. Page 2, lines 11 and 12.
Following: "~~if~~"
Insert: "the municipality may provide such service to the persons and businesses receiving service from a private carrier prior to annexation or to their successors in interest only"
Following: "majority of"
Strike: "the residents"
Insert: "such customers or their successors in interest"

7. Page 2, line 17.
Following: line 16
Insert: "its existing customers in"

8. Page 2, line 18.
Following: "majority of"
Strike: "the residents"
Insert: "those customers or their successors in interest"

QUESTIONS FROM THE COMMITTEE: Senator Hammond asked how the area would be determined that would be levied against. Rep. Ream said it was the entire city of Missoula.

Senator Harding said present statute allows counties to levy 1 mill for senior citizens transportation. Mr. Morris said that was for counties or municipalities. This bill would allow "urban transportation districts" to be inserted in that part of the law, giving them the same authority.

Rep. Lory closed the hearing on House Bill 282.

ACTION ON HOUSE BILL 282: Senator Hammond moved House Bill 282 BE CONCURRED IN. The motion CARRIED UNANIMOUSLY. Rep. Ream said he would ask Senator Halligan to carry the bill on the Senate floor.

ACTION ON HOUSE BILL 492: Senator Walker moved that House Bill 492 BE CONCURRED IN. The motion PASSED by a vote of 9-1, with Senator Hirsch voting NO.

RECONSIDERATION OF HOUSE BILL 612: Senator Eck moved that House Bill 612 BE RECONSIDERED. The motion CARRIED UNANIMOUSLY.

Karen Renne distributed amendments proposed by Bruce Rested of Billings, which are attached as Exhibit 5.

Discussion followed by the committee. The chairman said the adverse committee report previously recommended by the committee had been held back for reconsideration by the committee due to a misunderstanding.

Senator Vaughn moved PASSAGE OF THE AMENDMENTS in Exhibit 5. The motion CARRIED UNANIMOUSLY.

Senator Eck moved that House Bill 612 BE CONCURRED IN AS AMENDED. The motion CARRIED UNANIMOUSLY.

DISCUSSION ON HOUSE BILL 697: Senator Eck asked for a postponement of action on the bill.

The meeting adjourned at 2:30 p.m.

SENATOR BRUCE D. CRIPPEN, Chairman

rj

ROLL CALL

SENATE LOCAL GOVERNMENT COMMITTEE

48th LEGISLATIVE SESSION -- 1987 Date 3-19-87

SENATE SEAT #

NAME	PRESENT	ABSENT	EXCUSED
CHAIRMAN BRUCE CRIPPEN	X		
R. J. PINSONEAULT	X		
TOM BECK	X (arrived late)		X
H. "SWEDE" HAMMOND	X		
ETHEL HARDING	X		
LES HIRSCH	X		
PETER STORY	X (arrived late)		X
ELEANOR VAUGHN	X		
MIKE WALKER	X (arrived late)		X
DOROTHY ECK	X		

Each day attach to minutes.

STANDING COMMITTEE REPORT

March 19, 19 87

MR. PRESIDENT

We, your committee on Local Government

having had under consideration House Bill No. 492

Third reading copy (blue color)

Miles (Beck)

RAISING CERTAIN FEES REGARDING MOTOR VEHICLE TITLES

Respectfully report as follows: That House Bill No. 492

BE CONCURRED IN

~~DO PASS~~

~~DO NOT PASS~~

Sen. Pinsoneault, Vice Chairman.